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EMPLOYEE BULLETIN

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STATEMENT OF JOHN N. McMAHON, DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

I am anxious to refute The Washington Post reference to my views of our Nicaraguan activities in the article which appeared in its 13 April 1984 edition. While Director Casey encourages lively debate on all of our intelligence proposals, he and I are of one mind when it comes to Agency programs including those to counter the threat of the Sandinistas to the stability and peace of Central America. This position is also shared among other senior Agency officials.



John N. McMahon
Deputy Director of Central Intelligence

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CIA-NICARAGUA
BY ROBERT PARRY

WASHINGTON (AP) -- THE CIA'S DEPUTY DIRECTOR, IN AN EXTRAORDINARY FORMAL STATEMENT, SAID FRIDAY THAT HE AND CIA DIRECTOR WILLIAM J. CASEY "ARE OF ONE MIND" ON THE ACTIONS TO COUNTER NICARAGUA'S LEFTIST GOVERNMENT.

JOHN N. MCMAHON'S STATEMENT, RELEASED BY THE CIA'S PUBLIC AFFAIRS OFFICE, CAME AMID MOUNTING CRITICISM OF THE AGENCY'S ROLE IN MINING NICARAGUAN HARBORS AND WAS IN RESPONSE TO A WASHINGTON POST ARTICLE SAYING MCMAHON BELIEVED FROM THE START THAT THE NICARAGUAN COVERT ACTION WAS ILL-CONCEIVED.

"I AM ANXIOUS TO REFUTE THE WASHINGTON POST REFERENCE TO MY VIEWS ON OUR NICARAGUAN ACTIVITIES," MCMAHON SAID. "WHILE DIRECTOR CASEY ENCOURAGES LIVELY DEBATE ON ALL OF OUR INTELLIGENCE PROPOSALS, HE AND I ARE OF ONE MIND WHEN IT COMES TO AGENCY PROGRAMS, INCLUDING THOSE TO COUNTER THE THREAT OF THE SANDINISTAS TO THE STABILITY AND PEACE OF CENTRAL AMERICA.

"THIS POSITION IS ALSO SHARED AMONG OTHER SENIOR AGENCY OFFICIALS."

MEANWHILE, ADMINISTRATION OFFICIALS, SPEAKING ANONYMOUSLY, SAID CASEY WAS THE PRIME MOVER BEHIND THE PROPOSAL TO MINE NICARAGUA'S HARBORS AS A WAY OF HARASSING THE SANDINISTA GOVERNMENT AND DISCOURAGING ITS SUPPORT FOR LEFTIST GUERRILLAS IN EL SALVADOR.

"IT'S THE ORIGINAL IDEA: TO STOP THE SPREAD OF REVOLUTION," SAID ONE OFFICIAL. THE MINING WAS INTENDED TO "KEEP THE HEAT" ON THE SANDINISTAS, HE ADDED.

OFFICIALS SAID THAT WHILE CASEY WAS THE PRINCIPAL BACKER OF THE MINING PLAN, ALL TOP ADMINISTRATION POLICYMAKERS, INCLUDING SECRETARY OF STATE GEORGE P. SHULTZ AND NATIONAL SECURITY ADVISER ROBERT C. MCFARLANE, AGREED ON THE MINING BEFORE THE OPERATION BEGAN IN JANUARY.

THE OFFICIALS SAID SHULTZ ASKED A SERIES OF QUESTIONS ABOUT THE MINING WHEN IT WAS PROPOSED, BUT CONCURRED IN THE RECOMMENDATION TO PRESIDENT REAGAN TO APPROVE THE PROGRAM. THESE OFFICIALS DISCOUNTED PUBLISHED REPORTS THAT SHULTZ HAD "MISGIVINGS" ABOUT THE PLAN.

DISCLOSURES ABOUT CIA DIRECTION OF THE MINING OPERATION FROM A SHIP JUST OUTSIDE NICARAGUA'S 12 MILES OF TERRITORIAL WATERS TOUCHED OFF A FUROR IN CONGRESS THIS WEEK, WITH BOTH THE HOUSE AND SENATE APPROVING A NON-BINDING RESOLUTION CALLING FOR AN END TO THE OPERATION.

WHILE ADMINISTRATION OFFICIALS BELIEVE THE RESOLUTION MAKES RESUMPTION OF THE MINING UNLIKELY, THEY ARE MORE WORRIED THAT THE CONTROVERSY COULD KILL THE OVERALL CIA PROGRAM OF SUPPORT FOR AN ESTIMATED 15,000 REBELS FIGHTING TO OUST THE NICARAGUAN GOVERNMENT.

REAGAN HAS REQUESTED \$21 MILLION TO PAY FOR THE "COVERT ACTION" THROUGH THE END OF THE FISCAL YEAR ON SEPT. 30. THE SENATE APPROVED THAT AMOUNT, BUT HOUSE DEMOCRATIC LEADERS SAID THIS WEEK THE HOUSE WILL NOT GO ALONG.

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